

Message Text

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72

ACTION EUR-25

INFO OCT-01 ISO-00 SPC-03 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 DODE-00 PM-07 H-03 L-03 PA-04 PRS-01 USIA-15

SCEM-02 DRC-01 /178 W
----- 076890

R 111558Z JAN 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 9670

INFO USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS BONN 0551

DEPARTMENT PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: ECON, GW

SUBJECT: JANUARY 10 "CONCERTED ACTION" MEETING

1. JANUARY 10 FEATURED ANOTHER PROTECTED "CONCERTED ACTION" MEETING, CHAIRED BY THE ECONOMICS MINISTER AND ATTENDED BY THE BUNDESBANK PRESIDENT, TOP-LEVEL LABOR AND MANAGEMENT REPRESENTATIVES, AND A MEMBER OF THE COUNCIL OF ECONOMIC EXPERTS. THE RATHER SKIMPY COMMUNIQUE ISSUED LATE LAST NIGHT NOTES A CONSENSUS THAT THE GERMAN ECONOMY HAS ENTERED A COOLING-OFF PHASE, MOST EVIDENT IN THE LABOR MARKET, BUT WITH THE RATE OF INFLATION REACCELERATING (PRIMARILY DUE TO OIL PRICE HIKES).

2. PARTICIPANTS ALSO AGREED THAT ECONOMIC GROWTH IN 1974 WILL BE LOWER THAN 1973. REAL GROWTH OF GNP THIS YEAR IS PLACED AT BETWEEN 0 AND 2 PERCENT BY BOTH THE GOVERNMENT AND THE CENTRAL BANK. THE ONLY OTHER SUBSTANTIVE COMMENT CONTAINED IN THE COMMUNIQUE IS THE ALMOST HABITUAL PLEA OF THE ECONOMICS MINISTRY
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FOR WAGE AND PRICE RESTRAINT, COUPLED WITH ANOTHER HINT AT

THE CO-RESPONSIBILITY OF LABOR AND MANAGEMENT IN MAINTAINING
BOTH EMPLOYMENT AND PRICE STABILITY.
HILLENBRAND

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NNN

Message Attributes

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Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
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